

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Correa Analyst: John Pavalasky Bill Number: AB 382

Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: September 4, 2003

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Exemption/Interest On Bonds Issued By Federally Recognized Indian Tribal Government Located In This State

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED
JULY 21, 2003, STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY

This bill expands the list of bonds that are treated as California tax-exempt to include certain bonds issued by Indian tribal governments located in California.

SUMMARY OF AMENDMENTS

The September 4, 2003, amendments treat interest on bonds issued by Indian tribal governments located in California as tax-exempt under California law only if the interest on the bonds is tax-exempt for federal purposes, and the tribe adopts an environmental ordinance along with a written agreement with local governments impacted by the project that mitigates off-reservation environmental impacts, as defined.

The provisions relating to off-reservation environmental impacts that this bill adds to the Public Resources Code are not administered by the Franchise Tax Board and are not discussed in this analysis.

EFFECTIVE/OPERATIVE DATE

As amended September 4, 2003, this bill would be operative on January 1, 2004, and would apply to taxable years beginning on or after January 1, 2004.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

9/8/03

POSITION

Pending.

ANALYSIS

The September 4, 2003, amendments resolve the ARGUMENTS/POLICY CONCERNS raised in the analysis of the bill as amended July 21, 2003. That is, the interest on bonds issued by Indian tribal governments located in California is required to be tax-exempt for federal purposes in order to be tax-exempt under California law. In addition, the tribe is required to adopt an ordinance that, among other things, would require consultation with local governments impacted by the project being financed with the bond proceeds.

Except for the EFFECTIVE/OPERATIVE DATE, the remainder of the analysis of the bill as amended July 21, 2003, still applies.

LEGISLATIVE STAFF CONTACT

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